

Taxi Licensing Committee



Date of meeting:	20 February 2020
Title of Report:	Hackney Carriage and Private Hire Licence Fees
Lead Member:	Councillor Sally Haydon (Cabinet Member for Customer Focus and Community Safety)
Lead Strategic Director:	Ruth Harrell (Director of Public Health)
Author:	Rachael Hind, Licensing Service Manager
Contact Email:	Rachael.hind@plymouth.gov.uk
Your Reference:	RH/Fees2020/21
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

Plymouth City Council regulates the Hackney Carriage and Private Hire industry through the licensing framework set out in the Plymouth City Council Act 1975. Fees for licences should be set at a figure which will recover the full cost of the licensing administration including enforcement, in so far as is consistent with the particular provisions which allow licence fees to be charged. The budgets for licensing are operated as two trading accounts, one for Private Hire and the other for Hackney Carriage. Within each account, the elements are separated into driver licence and vehicle licence, with an added operator element for the private hire account.

A review of the current fees has been undertaken to balance the two trading accounts and ensure there is no cross-subsidy of any of the five elements.

A report outlining a new fees structure was considered at the Taxi Licensing Committee on 8 January 2020 and the Committee approved the advertisement of the proposed fees which was published in the Herald on Monday 13 January 2020. All taxi drivers, vehicle proprietors and operators were written to and provided with a copy of the fees notice and were given until 3 February 2020 to make objections.

14 objections were received, which included an objection from the Plymouth Licensed Taxi Association (PLTA). The objections are included in Appendix 3.

Recommendations and Reasons

That Members consider the report and resolve to:

- Approve the recommended fee structure as advertised and set out in the Fees Table in Appendix 1.

Reason

- To ensure the Hackney Carriage Accounts are brought into balance by 2024 and the Private Hire accounts remain in balance over the next four years.

Alternative options considered and rejected

Consideration was given to increasing the hackney carriage accounts by a higher amount to reduce the deficit in less time but this would not be acceptable as it would cause unnecessary hardship to the trade.

Relevance to the Corporate Plan and/or the Plymouth Plan

This report links to the delivery of the City and Council priorities. In particular:

Growing Plymouth: By economic prosperity through an efficient public transport network.

A safe and vibrant leisure economy will allow Plymouth to be positively marketed as an attractive destination both nationally and internationally.

Caring Plymouth: Providing consumer confidence.

Implications for the Medium Term Financial Plan and Resource Implications:

The Hackney Carriage and Private Hire accounts have been reviewed and the fees must be increased to ensure that any deficit is addressed.

The financial implication of these proposed fee increases is to ensure the Council covers the full costs of providing the service in so far as consistent with the particular provisions which allow licence fees to be charged.

This is the second year of a five year process and the fee levels in this report have been set to ensure the Hackney Carriage Driver and Vehicle accounts are out of deficit by the end of the financial year 2023/2024 (subject to further increases in subsequent years); the Private Hire Driver, Vehicle and Operator Accounts all remain in a surplus position (subject to further increases in subsequent years).

Carbon Footprint (Environmental) Implications:

Not applicable.

Other Implications: e.g. Health and Safety, Risk Management, Child Poverty:

** When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.*

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Appendices

**Add rows as required to box below*

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable)						
		<i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
A	Briefing report title							
B	Appendix 1: Proposed Fees							
C	Appendix 2: Summarised Accounts for 2019/20							
D	Appendix 3: Response Consultation							

Background papers:

*Add rows as required to box below

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable)						
	If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.						
	1	2	3	4	5	6	7

Sign off:

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Originating Senior Leadership Team member: Rob Nelder											
Please confirm the Strategic Director(s) has agreed the report? Yes Date agreed: 04/02/2020											
Cabinet Member approval: Sally Haydon Date approved: 07/02/2020											

Briefing Report

1.0 Background Information

- 1.1 A review of the current fees has been undertaken to balance the two trading accounts and ensure there is no cross-subsidy of any of the five elements.
- 1.2 At the Taxi Licensing Committee on 8 January 2020, the Committee approved the advertisement of the proposed fees with a period for responses of 14 days. The advertisement was published in the Herald on Monday 13 January 2019. All taxi drivers, vehicle proprietors and operators were written to and provided with a copy of the fees notice and were given until 3 February 2020 to make objections.

2.0 Legal Framework

- 2.1 The Council may make a charge for the grant of the licences for drivers of Hackney Carriages and Private Hire vehicles by virtue of Section 11(2) of the Plymouth City Council Act 1975; and for the grant of Vehicle and Operators' Licences under Section 28 of the Plymouth City Council Act 1975 (the Act). The fees must be considered reasonable with a view to recovering the costs of issue and administration (including compliance) of the licence. The fees must be advertised in accordance with the provisions of the Act and if any objections are received these must be considered by the Committee for a final decision to be taken as to whether the advertised fees will be modified in light of objections, or whether the fees will be implemented as advertised. The fee structure approved by the Committee would come into effect within two months from the closing date of the advertised consultation. As advised in the consultation, the fees will take effect from 1 April 2020.

3.0 Objections

- 3.1 14 objections were received within the consultation period regarding the fees increase (see appendix 3).
- 3.2 The main objections raised are: -

Object to the increases which are higher than inflation

The fees have been reviewed and the increases are necessary to meet the actual costs incurred. Table 1 shows the cost increases and percentage increases of the proposed fees which were published in January 2020. It also outlines the extra cost to the driver/proprietor per week as a result of the proposed increases.

Table 1: Recommended fees (as published) for 2020/21 with the % increases

HACKNEY	Current Fees	Proposed Fees	Change	% increase	Extra cost per week	per month	per year
Vehicle licence (1 year)	£342	£369	£27	8%	£0.52	£2.25	£27
1 Year Drivers licence	£165	£190	£25	15%	£0.48	£2.08	£25
3 Year Drivers Licence	£435	£500	£65	15%	£0.42	£1.81	£22

PRIVATE	Current Fees	Proposed Fees	Change	% increase	Extra cost per week	per month	per year
Vehicle licence (1 year)	£170	£184	£14	8%	£0.27	£1.17	£14
1 Year Drivers licence	£120	134	£14	12%	£0.27	£1.17	£14
3 Year Drivers Licence	£300	336	£36	12%	£0.23	£1.00	£12
Operator application fee	£135	135	£0	0	0	0	0
Operator fee per vehicle	£3.80	3.80	£0	0	0	0	0

NEW APPLICANTS	Current Fee	Proposed Fee	Change	% increase
Driver Application Fee	£85	£137	£52	61%

Why can't the PH Operators fees be increased to help the HC trade out?

The private hire and hackney carriage accounts are completely separate. Each fee must reflect the actual cost incurred and there cannot be any cross – subsidy.

The drivers shouldn't have to pay for court cases that are lost by the Council

The costs incurred with dealing with court cases are for either prosecutions or for appeals against Committee decisions, where a driver's licence has been revoked or suspended. The cost of the service needs to be met and must therefore be allocated to the two trades.

All drivers can appeal to the Magistrate's Court against a committee decision to suspend or revoke their licence. If a driver appeals then the Council must defend its case. The council have been found

by the Magistrates Court on all our cases to have made the correct decision and if any costs are granted by the Court, they are returned to the trade account.

The Court must follow their guidelines on awarding costs. As these appeals are more civil in nature than criminal, the Court looks at the reasonableness of the action taken by the losing party. It also has to take account of someone's ability to pay. In prosecutions, it is different as the defendants have not had to pay any court fees and there is an element of punishment that comes into the penalties imposed which can include costs.

Request to see the full accounts

The Council is prepared to make the accounts available, upon request and to answer questions on what expenditure has been included in the taxi accounts. Appendix two shows the summarised accounts with the forecast for 2020/21.

5.0 Fee Changes for 2020/21

5.1 Hackney Carriage Account

The predicted income and expenditure for the year have been reviewed and to ensure the reserve accounts are in surplus by 2023/24. An 8% increase is required for the Hackney Carriage Vehicle fee and a 15% increase is required for the Hackney Carriage Drivers licence fees in 2020/21 (one year and three year licence). Please refer to the summarised accounts in Appendix 2.

5.2 Private Hire Account

The predicted income and expenditure for the year have been reviewed. The reserve accounts are currently in surplus, however to ensure the reserves and the accounts remain in balance, an 8% increase is required for the Private Hire Vehicle licence fee and a 12% increase is required for the Private Hire Drivers Licence Fees (one year and three year licence).

There is no proposed increase for the operator's fees. However a five year option has been included for Operators who may wish to apply for a five year licence.

Please refer to the summarised accounts in Appendix 2.

6.0 Conclusion

6.1 The Committee members need to consider the objections and the recommendations within Appendix 3 of this report. This is the second year of a five year process to ensure the Hackney Carriage Driver and Vehicle accounts are out of deficit by the end of the financial year 2023/2024 (subject to further increases in subsequent years) and the Private Hire Driver, Vehicle and Operator Accounts all remain in a surplus position.

6.2 The impact of fee changes will be reviewed annually and any necessary alterations will be approved as set out in the Council's scheme of delegation.

6.3 It is recommended that Committee members resolve to approve the fee structure as set out in the Fees Table in Appendix one which is for the twelve months commencing on 1 April 2020.

APPENDIX I**Proposed Fees for Hackney Carriage and Private Hire Licences for 2020/21**

Hackney Carriage		
Type	Current	Proposed Fees
Vehicle licence (1 year)	£342	£369
1 Year Drivers licence	£165	£190
3 Year Drivers Licence	£435	£500
New Drivers Application Fee	£85	£137
Replacement Plate	£13	£13.50
Fees remaining at current levels:		
Duplicate licence	£10	£10
Admin fee for Change of Licence/transfer from HC to PH	£20	£20
Vehicle Transfer	£35	£35
Change of vehicle registration number	£35	£35
Drivers Test	£85	£85
KOP test	£72	£72
Spoken English Test	£33	£33
Replacement ID Card fee	£10	£10
Refund Fee	£15	£15

Private Hire		
Type	Current	Proposed Fees
Vehicle licence (1 year)	£170	£184
1 Year Drivers licence	£120	£134
3 Year Drivers Licence	£300	£336
Drivers Application Fee	£85	£137
Replacement Plate	£13	£13.50
Replacement Door Sticker	£5	£5.25
Operators 5 year application fee	N/A	£578
Operator fee per vehicle (5 year)	N/A	£19
Fees remaining at current levels:		
Duplicate licence	£10	£10
Admin fee for Change of Licence/transfer from PH to HC	£20	£20
Vehicle Transfer	£35	£35
Change of vehicle registration number	£35	£35
Drivers Test	£85	£85
KOP test	£72	£72
Spoken English Test	£33	£33
Replacement ID Card fee	£10	£10
Refund Fee	£15	£15
Operators annual application fee	£135	£135
Operator fee per vehicle (annual)	£3.80	£3.80

APPENDIX 2 – Summarised accounts for 2019/20

Hackney Accounts

Expenditure or Income	Groupings	2018/19 Total	2019/20 Hackney Driver	2019/20 Hackney Vehicle	2019/20 Total
Expenditure	Staffing	£115,397	£36,515	£88,427	£124,943
	Salary Adjustment	£37,299	£0	£0	£0
	Other Staff costs	£1,152	£433	£462	£895
	Legal External	£8,628	£5,500	£500	£6,000
	Legal Internal	£24,672	£21,020	£1,427	£22,447
	DVLA Checks	£187	£0	£0	£0
	Supplies and services	£6,753	£1,115	£3,750	£4,865
	Private contractors inc Unmet Demand	£10,467	£0	£6,398	£6,398
	Vehicle Costs	£942	£0	£445	£445
	Rank Review	£0	£0	£500	£500
	Driver Training	£0	£6,572	£0	£6,572
Expenditure Total		£205,497	£71,155	£101,909	£173,065
Income	Driver Licence	(£31,280)	(£38,979)	£0	(£38,979)
	Licence Amendment	(£1,420)	(£340)	(£1,220)	(£1,560)
	Other Income	(£3,857)	(£3,934)	(£1,133)	(£5,067)
	Test Fee	(£637)	(£640)	£0	(£640)
	Vehicle Licence	(£74,858)	£0	(£112,518)	(£112,518)
Income Total		(£112,052)	(£43,893)	(£114,871)	(£158,764)
Grand Total		£93,445	£27,263	(£12,962)	£14,301

Private Hire Accounts

Expenditure or Income	Groupings	Total 2018/19	2019/20 Private Driver	2019/20 Private Vehicle	2019/20 Private Operator	Total 2019/20
Expenditure	Staffing	£165,778	£58,393	£121,435	£6,226	£186,054
	Salary Adjustment	(£37,299)	£0	£0	£0	£0
	Other Staff costs	£2,312	£445	£732	£33	£1,210
	Legal External	£3,730	£1,457	£1,457	£86	£3,000
	Legal Internal	£16,469	£13,108	£1,754	£466	£15,328
	Supplies and services	£27,589	£25,619	£8,896	£473	£34,988
	Vehicle Costs	£877	£0	£928	£0	£928
Expenditure Total		£179,456	£99,022	£135,202	£7,284	£241,508
Income	Driver Licence	(£54,572)	(£55,629)	£0	£0	(£55,629)
	Licence Amendment	(£2,589)	(£230)	(£2,400)	£0	(£2,630)
	Operator Fee	(£10,188)	£0	£0	(£8,451)	(£8,451)
	Other Income	(£1,323)	(£192)	(£2,384)	(£1)	(£2,577)
	Test Fee	(£11,391)	(£13,150)	£0	£0	(£13,150)
	Vehicle Licence	(£95,445)	£0	(£127,670)	£0	(£127,670)
Income Total		(£175,508)	(£69,201)	(£132,454)	(£8,452)	(£210,107)
Grand Total		£3,948	£29,821	£2,748	(£1,169)	£31,401

APPENDIX 3:

Table of responses